

Respondent Information Form and Questions

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

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The Institution of Civil Engineers

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3. Permissions - I am responding as...

Individual

☐

/

Group/Organisation

☒

Please tick as appropriate

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate ☐ Yes ☐ No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available ☐

or

Yes, make my response available, but not my name and address ☐

or

Yes, make my response and name available, but not my address ☐

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick as appropriate ☒ Yes ☐ No

(d)	We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?
<i>Please tick as appropriate</i>	
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The Institution of Civil Engineers

Introduction

In our State of the Nation Briefing on Scotland's Infrastructure (2011), ICE noted that Scotland's economic, social and environmental future depends on a high quality and well-functioning infrastructure. In addition, ICE considered that managing existing infrastructure was as vital as investing in new infrastructure. In terms of rail, ICE supported the carbon reduction agenda by achieving modal shift from road through investment in the development and the electrification of the railway network. In particular ICE sought to encourage modal shift from road by further electrification and reduction in journey times particularly on routes to Inverness and Aberdeen and on links to England.

While this consultation only focusses on issues surrounding the future passenger operation franchise, ICE considers this to be an integral part of the 'management' of the infrastructure and hence our wish to comment.

In considering each of the issues ICE has shaped its response to reflect existing policy objectives and explore how the desired outcomes might best be achieved.. These policy objectives are recorded below:

Scotland's National Transport Strategy

The following guiding principles are recorded:

- Improve journey times and connections
- Reduce emissions
- Improve quality, accessibility and affordability

Addressing these issues will assist in meeting the Scottish Governments high level objectives of:

- Economic growth
- Social inclusion
- Integration
- Safety

There is a desire to create a transport system that reduces journey times, tackles congestion, provides alternatives to the private car, improves

connections and accessibility and reduces the impact of transport on the environment. There is a need for a public transport system that is attractive, efficient and affordable.

Infrastructure Investment Plan 2011

The IIP builds on the National Transport Strategy. The rail network in Scotland has seen much investment in recent years with significant re-openings of key routes, which is the envy of many in the UK. The IIP details further shorter term improvements (Paisley Corridor, EGIP and Borders Rail, together with medium and longer term projects (Aberdeen to Central Belt and Inverness, Highland Main Line and High Speed Rail).

It is of note that the IIP also proposes dualling of the A9 Trunk Road between Perth and Inverness and the A96 between Aberdeen and Inverness.

The value of investment is significant and the need for lowering costs and achieving value for money is noted.

There are a number of infrastructure improvements which have not been included in the IIP. We make no comment on this, but given that they are continually raised by others we suggest that they are all the subject of definitive studies and conclusions:

- Edinburgh South Suburban line
- Glasgow Crossrail
- Glasgow High Street Chord (Crossrail alternative)
- Glasgow Garngad Chord

ICE State of the Nation Scotland's Infrastructure

ICE focussed on two desirable outcomes:

- Further electrification
- Reduction in journey times

Both of these are compatible with Scottish Government Policy and seek to assist modal shift from road (and where practical, domestic air) and to use a more sustainable energy supply (electricity).

The last issue introduces a conundrum. Further electrification will in itself increase demand which the Scottish Government seek to provide through renewable sources. This increases the baseload which needs security of supply and is an issue which needs to be addressed.

The desire for modal shift onto rail from the competing modes of road and domestic air, attempts to increase demand, which in some instances will conflict with already congested services. Traditionally in the UK an excess of demand on the rail network has been managed by fare rises or by excessive over-crowding; both an attempt to decrease demand. Clearly if the intention is to achieve modal shift then steps have to be taken to cater for an increase

in demand which might, depending on the circumstances, require more carriages/increased services, which may in turn require increased platform lengths/other infrastructure enhancements. This is the price to be paid for achieving modal shift.

The above discussion has informed the ICE views on the particular issues raised in the consultation questions.

ICE would, of course, be willing to discuss these issues further.

Consultation Questions

The answer boxes will expand as you type.

Procuring rail passenger services

1. What are the merits of offering the ScotRail franchise as a dual focus franchise and what services should be covered by the economic rail element, and what by the social rail element?

Q1 comments:

The disaggregation of the National Railway into track/ rolling stock/ operators/ funders has not received universal acclaim and there are many who wish to see a vertically integrated railway. However, the need to meet European Legislation is clear. In this regard the current proposal, where there is one operating franchise awarded and funded by the Scottish Government, together with the recent re-organisation of Network Rail goes some way towards vertical integration and provides a clarity of responsibilities and organisation throughout Scotland and should allow proper lines of communication, liaison and decision making.

The dual focus franchise is simply two separate methods of specifying and managing discrete parts of the franchise, which should be transparent to passengers. There will need to be careful consideration of the franchise terms. One of the benefits of a single franchise in Scotland is the ability of the operator to manage unforeseen risks in day to day operation by utilising the wider assets to advantage. It would be unfortunate if the pressures on the franchise made the operator concentrate on the economic element over the social element.

A dual focus will also bring more management and supervision costs, which may not provide value for money. To proceed down this route would need a clear financial case to be made, which might be achieved through a tendering process containing priced options. This will of course raise the cost of tendering for both parties.

The simple definition of the dual focus is that services paid by fare income are economic, others are not.

2. What should be the length of the contract for future franchises, and what factors lead you to this view?

Q2 comments:

The issue here is to find a balance between price testing (which in theory favours short franchises) and the provision of a stable operating environment which is clear to passengers (which favours longer franchises).

The performance and issues arising from the two previous franchises will clearly inform the debate.

The effect on the workforce of a constantly changing employer (through TUPE provisions) and the subsequent effect on service delivery to passengers also requires consideration. We are not aware of any studies which would inform this issue.

Greater alignment between the HLOS reviews and the anticipated timings of significant changes/ enhancements to the network is desirable as these affect the operations of the franchise. In the event that this is not possible the franchise needs to be flexible enough to accommodate price changes.

Arguably, a long franchise would encourage franchisees to invest as they would be more certain to receive a return on their investment.

3. What risk support mechanism should be reflected within the franchise?

Q3 comments:

The starting point for consideration of this issue is a comprehensive risk register. The judgement applied to risk is that risk should be taken by the party most able to manage it.

At high level the risks are:

- Track availability (Network Rail)
- Track Access Charges (Operator)
- Service availability (Operator)
- Fare Collection (Operator)
- Passenger numbers (Operator/Transport Scotland depending on economic/ social services)

- Franchise funding (Transport Scotland)

Whilst the franchise document will detail the risk allocation, the possibility of some risks being shared by two parties (if not three) introduces complexities which have to be individually spelled out in the contract.

The most difficult area will be the risk to passenger numbers and it would be possible to consider sharing this risk, which would have a direct effect on revenue. However, it would be appropriate for this risk to be shared both down and up (see Q4 below). One of the difficulties in sharing the risk of the downside is, of course, that it makes public sector expenditure predictions less certain.

It would, of course, be possible to test the cost of risk share in the tender process, albeit with increased complexity.

4. What, if any, profit share mechanism should apply within the franchise?

Q4 comments:

To an extent this depends on risk share. If there is almost complete risk transfer onto the franchisee, then it seems unfair to share (or cap) profit.

On the other hand, if risk is to be shared then sharing profit follows.

5. Under what terms should third parties be involved in the operation of passenger rail services?

Q5 comments:

The introduction of third parties goes against the recent moves to simplify the organisational structure of the railway (and the apparent public wish to see vertical integration).

However, there is evidence of successful Community Rail Partnerships in England for 'long thin' routes. In Scotland an equivalent has developed through HITRANS to good effect and this activity could be widened.

6. What is the best way to structure and incentivise the achievement of outcome measures whilst ensuring value for money?

Q6 comments:

Outcome measures are best achieved by a robust specification of the required outcomes, which concentrates on the minimums that need to be delivered whilst avoiding 'gold-plating'. The specification should avoid being over-prescriptive on issues where risk is to be transferred to the franchisee leaving them the ability to manage their risks.

Value for money is achieved through the tender process (and possibly through the competitive dialogue tender process). If there is doubt pre-tender, then inviting tenders on defined alternatives is possible providing that a defined assessment process is available.

7. What level of performance bond and/or parent company guarantees are appropriate?

Q7 comments:

It is interesting that whilst Government in general self-insures against risk, that performance bonds and parent company guarantees are used to insure against the risk of contractual default.

One of the commercial downsides of taking out a performance bond (other than the direct cost), is that lending institutions consider the value of the bond as an effective part of any borrowing facility given to a company which may reduce the ability of a company to fund its operations.

The risk of a franchisee withdrawing is real. Whilst some form of step-in rights for Transport Scotland might be possible, with ensuing difficulties to take over and run the franchise, a parent company guarantee seems a better alternative and should be sought from the ultimate holding company.

8. What sanctions should be used to ensure the franchisee fulfils its franchise commitments?

Q8 comments:

Sanctions should be based on financial deductions. The public purse should not pay for a service which is not delivered. However, sanction values should be set at appropriate levels to attempt to encourage franchisees to improve and meet their obligations. They should not be overly penal under most circumstances.

Achieving reliability, performance and service quality

9. Under the franchise, should we incentivise good performance or only penalise poor performance?

Q9 comments:

If the specification of the franchise is set correctly, then carrying out the operations in accordance with the specification does not merit incentivisation. Increases in fare income provide an element of self-incentivisation for the franchisee.

The specification of pre-determined payment reductions in the franchise contract is preferable to 'penalisation' for poor performance. .

10. Should the performance regime be aligned with actual routes or service groups, or should there be one system for the whole of Scotland?

Q10 comments:

The variety of routes within Scotland suggests that the regime should be aligned with actual routes.

11. How can we make the performance regime more aligned with passenger issues?

Q11 comments:

It is necessary to determine key passenger issues, which can be obtained from Passenger Focus surveys and from other surveys available to Transport Scotland.

However, consideration should also be given to Scottish Government policy including journey time reduction to capture the views of road users who are not surveyed through Passenger Focus.

12. What should the balance be between journey times and performance?

Q12 comments:

A key policy requirement is to achieve reduced journey times and hence generate modal shift from road to rail. However, from a passenger perspective when considering journey planning, consistency of journey time may well be more important than absolute values.

The introduction of excessive slack in timetabling to permit the achievement of performance targets is unwarranted. In the case of ensuring connectivity

some slack in timetabling is appropriate.

13. Is a Service Quality Incentive Regime required? And if so should it cover all aspects of stations and service delivery, or just those being managed through the franchise?

Q13 comments:

SQUIRE appears to work well and has generated improvements in delivery. An incentive regime is required to ensure that public money is being properly spent. The extension to other areas is warranted.

14. What other mechanisms could be used for assessing train and station quality?

Q14 comments:

It would be possible to have the operations of the franchise carried out under an accredited Quality Assurance System (or more appropriately a system covering quality, safety and the environment – SQE). The franchisee would have to self-audit and report the findings. The cost of this exercise would form part of the franchise payments and be subject to market testing. The risk of performance would lie with the franchisee.

This would minimise Transport Scotland's role, and enable them to target their audits on high risk items and the results of the franchisees own audits. This mirrors the concept of the Performance Audit Group in Trunk Road operations.

Scottish train services

15. Can better use be made of existing train capacity, such as increasing the permitted standing time beyond the limit of 10 minutes or increasing the capacity limit? What is an acceptable limit for standing times on rail services?

Q15 comments:

The concept of setting a permitted standing time would impact adversely on attracting passengers to achieve modal shift. There may be cases where standing has to happen on suburban services (say 20 mins max) but it should not be planned for on other services.

There should be a quick way of reclassifying first class areas to second class

where appropriate.

The typical choice of three car DMU/EMU sets means that there is a step change in capacity when trains are lengthened as opposed to the purchase of additional coaches to lengthen sets.

16. Should the number of services making use of interchange stations (both rail to rail and rail to other modes) be increased to reduce the number of direct services? What would be the opportunities and challenges of this?

Q16 comments:

If Glasgow to Aberdeen is to be split into three separate journeys (Glasgow-Perth, Perth-Dundee and Dundee – Aberdeen) that would go against the policy of reducing journey times and is not to be welcomed, particularly when the alternative is road travel on a dual carriageway.

However, it is the practice on many railways that major hubs are served by through trains with intermediate stations being served by local services which follow behind. Of course, this requires good and consistent timetabling and passenger information and other facilities, which give confidence of an acceptable journey experience. It may be that the scale of the network in Scotland is too small to have this alternative as a general approach.

17. Should Government direct aspects of service provision such as frequency and journey time, or would these be better determined by the franchisee based on customer demand?

Q17 comments:

Customer Demand is not an adequate test. The aspiration for modal shift requires an assessment of potential demand and the determination of the aspects of service provision which will capture that demand. This 'predict and provide' approach contrasts the approach for the road network.

Given that 75% of the cost comes from Government, a high degree of specification is appropriate.

18. What level of contract specification should we use the for the next ScotRail franchise?

Q18 comments:

The minimum level necessary to achieve desired outcomes whilst permitting the franchisee the maximum flexibility to manage risks allocated to the successful bidder.

19. How should the contract incentivise the franchisee to be innovative in the provision of services?

Q19 comments:

The franchisee gets the income receipts. Innovation which maintains an acceptable service provision, reduces costs and increases passenger receipts is the incentive.

Scottish rail fares

20. What should be the rationale for, and purpose of, our fares policy?

Q20 comments:

Railways provide a sustainable form of transport and are heavily subsidised to allow the Government to achieve its policy objectives and to attract travellers from other non-sustainable modes.

However, the public purse is limited, hence there is a need to charge fares (at the point of use) to provide some of the operating costs. Where unfettered use has been allowed, as in the Netherlands where free travel for children and students is allowed, the use of the network became skewed and encourages travel outwith normal policy objectives.

In Scotland, the Government subsidises unfettered access to bus travel for the over 60's whilst also subsidising rail travel. If the rail subsidy is essentially seen as a fixed cost then transferring at least long distance passengers onto rail would be achieved at a very marginal cost.

The policy objectives within fare setting has to balance a reasonable income stream against the policy objectives of social inclusion, affordability and the achievement of modal shift.

Care should be taken to ensure that a lack of capacity in the rail network should not be solved by over pricing.

21. What fares should be regulated by government and what should be set on a commercial basis? Do your recommendations change by geographic area (the Strathclyde area example), or by type of journey (for example suburban or intercity)?

Q21 comments:

Given the very high value of public subsidy and the policy drivers all fares should be set by Government

22. How should we achieve a balance between the taxpayer subsidy and passenger revenue contributions in funding the Scottish rail network? At what rate should fares be increased, and how feasible would it be to apply higher increases to Sections of the network which have recently been enhanced?

Q22 comments:

The impact of the cost of fares on policy aspirations should be subject to modelling and year on year review to validate the model and inform price variations.

23. What should the difference be between peak and off-peak fares? Will this help encourage people to switch to travelling in the off-peak?

Q23 comments:

The first issue to be addressed here is to ensure absolute clarity in the difference between ticket types. The current system is argued by many to be unclear and overly complex and simplification is required.

There is a case to reduce off-peak fares to achieve modal shift and inclusion. The reduction should not be used only to manage a lack of capacity.

Policy objectives are not met by making the 'walk on fare' overly expensive.

Scottish stations

24. How should we determine what rail stations are required and where, including whether a station should be closed?

Q24 comments:

The provision of new rail stations should be considered from land use changes and transportation planning studies focussing on likely demand and modal shift.

However, such new provision has also to be tested against other policy requirements such as **not** lengthening journey times. For example, the proposed station at Robroyston together with changes on the Cumbernauld-

Glasgow service with a reversal at Springburn will inevitably increase journey times on that route compared to the decrease in road journey times associated with the new M80.

Stations which are not used in any practical sense could be considered for closure unless there were other policy drivers to be taken into account, such as social inclusion or a lack of alternatives. However, they are public assets and it is necessary to ensure that all steps have been taken to increase usage prior to closure. In the UK, historical practice would seem to have been to run down services and then close stations).

The list of stations within one mile of each other does not inform the policy debate and confirms that detailed facts are needed in each and every case. Kelvindale and Anniesland, for example, are not directly connected by road and serve quite different catchments. At least three of the stations are recently opened and presumably were the subject of demand analysis, which perhaps reflects shortcomings in the methodology adopted. On the other hand, if they were provided to meet some other policy demand then presumably that need still applies.

25. What are the merits or issues that arise from a third party (such as a local authority or local business) being able to propose, promote and fund a station or service?

Q25 comments:

The key merits to the public purse are that investment costs are met by others and the provision helps meet overall policy objectives.

However, there are some further considerations:

- What is the effect on existing service provision
- Is the funding certain over the longer term (is some form of bond necessary?)
- What happens in the event of a withdrawal of funding?
- Do the assets at some stage revert to public ownership?

26. Should only one organisation be responsible for the management and maintenance of stations? If this was the franchisee how should that responsibility be structured in terms of leasing, investment, and issues relating to residual capital value?

Q26 comments:

Simplification of the organisational structure of the railways points to the

franchisee operating all stations. However, four stations are outside the current franchise in Scotland and it is not clear that this causes real issues.

What is important is that the operation of all stations appears to be a seamless and consistent part of the network.

If investment by the franchisee is to be encouraged then there does have to be a method of returning residual capital value at the end of the franchise.

27. How can local communities be encouraged to support their local station?

Q27 comments:

There are a number of examples of this support ranging from informal to formal and the concept arguably works well:

- Friends of the Far North Line
- Friends of the Settle- Carlisle Line
- Community Rail Partnerships
- HITRANS

28. What categories of station should be designated and what facilities should be available at each category of station?

Q28 comments:

Network Rail standards already exist, but if these are to be reviewed in Scotland then the following points should be considered:

- Sufficient facilities have to be provided to ensure passengers are attracted to the railway; it is accepted that this will vary from location to location.
- However, as an absolute, a safe and secure facility needs to be provided at every location.

Cross-border services

29. Should cross-border services continue to go north of Edinburgh? In operating alongside ScotRail services, how do cross-border services benefit passengers and taxpayers? And who should specify these services, the Department of Transport or the Scottish Ministers?

Q29 comments:

Whilst the consultation focusses on the operation of the Scottish franchise it would be unwise to see the operations as self-contained. The policy objectives for modal shift apply equally if not more to long distance traffic and hence the need to provide competitive cross-border services to achieve shift where practical from domestic short haul air travel.

Long distance, cross border services typically have a have a higher level of service delivery (space, catering, storage etc) which is a pre-requisite to attract passengers from road and domestic short haul air travel.

It is unlikely that the policy objectives of reduced journey times, connections and integration would be met by enforced changes in Edinburgh. In addition it is not clear how this would enhance the product at a station which is already seeing capacity squeeze?

Continued constructive dialogue with the UK Government is vital to the success of cross border services.

30. Or should the cross-border services terminate at Edinburgh Waverley, allowing opportunities for Scottish connections? And if so, what additional benefits would accrue from having an Edinburgh Hub?

Q30 comments:

The Institution does not support the proposal to terminate services at Edinburgh Waverley which would result in increased congestion and adversely affect the Edinburgh hub.

Rolling stock

31. What alternative strategies or mechanisms could be used to reduce the cost of the provision of rolling stock?

Q31 comments:

Within the existing system of ROSCO's there are few opportunities to lease additional rolling stock as much of it is tied to particular routes and a limited market for the franchisee to exploit.

In recent years the Scottish Government has taken the lead in ordering stock, which appears to offer the optimum solution. There should be a drive to commonality to further reduce costs and ensure future inter-operability.

32. What facilities should be present on a train and to what extent should these facilities vary according to the route served?

Q32 comments:

This depends to a large extent on the route type and usage. Suburban services need little if any services, whilst longer routes merit more, including catering. Passenger Focus surveys would define this.

Passengers – information, security and services

33. How should we prioritise investment for mobile phone provision and / or Wi-Fi type high-bandwidth services?

Q33 comments:

There does seem to be a business-led need for Wi-Fi provision on key inter-city routes, balanced of course by the need for 'quiet' coaches for some passengers

34. How should we balance the need for additional seating capacity and retain the flexibility of a franchisee to offer first-class services if commercially viable?

Q34 comments:

The revenue yield from first class fares suggests that it should not be universally abolished. However, on routes where it is simply not used (or available), then there should be provision within rolling stock to simply and

clearly re-designate first class seating to second class.

35. What issues and evidence should be considered prior to determining whether or not to ban the consumption of alcohol on trains?

Q35 comments:

In essence this is a matter for the wider public health debate. On the particular railway issue then the views of Passenger Focus may be relevant.

Alcohol related to sporting events is controlled under existing legislation. To extend this control to all services raises the difficult issue of cross-border services where different laws might apply to parts of journeys introducing the potential for confusion.

36. How can the provision of travel information for passengers be further improved?

Q36 comments:

Within the UK we seem, despite some effort, to be unable to emulate the continental experience whereby there is clear and unambiguous information on the journey from train number, platform (including interchange platforms) to where to stand on a platform.

At hub stations there has to be better information on the detailed location of connecting public transport facilities.

In times of operational disruption there has to be clear and credible information on why the delay has happened and the next steps.

Caledonian Sleeper

37. Should we continue to specify sleeper services, or should this be a purely commercial matter for a train operating company?

Q37 comments:

Until such time as increased journey times lead to a significant decline in its use (eg the opening of HS2), it remains a tool to encourage modal shift from other less environmentally friendly modes and should not be discounted and therefore should be specified as part of the franchise.

However, only services to Edinburgh and Glasgow can be provided 'under the

wires' whereas those to Aberdeen, Inverness and the West Highlands must currently be operated by diesel. Provided that electricity is sourced from a sustainable supply then at least in part the operation of the sleeper services contributes to a reduction in emissions.

The nature of the service means that it is not attempting to offer a reduction in journey times. What it is trying to do is provide an alternative to domestic air travel to/ from the south of the UK.

38. Should the Caledonian Sleeper services be contracted for separately from the main ScotRail franchise? Or should it be an option for within the main ScotRail franchise?

Q38 comments:

Combining sleeper services with the ScotRail franchise has the benefit of sharing overheads with a larger operation whilst meeting the public wish for an integrated railway.

A separate franchise would be a small undertaking leading to an increase in management needs all round.

39. We would be interested in your views in the level and type of service that the Caledonian Sleeper Services should provide. Including:

- What is the appeal of the Caledonian Sleeper Service, and if there were more early and late trains would the appeal of the sleeper services change?
- What is the value of sleeper services to Fort William, Inverness and Aberdeen and are these the correct destinations, for example would Oban provide better connectivity?
- What facilities should the sleeper services provide and would you pay more for better facilities?

Q39 comments:

These are questions that can only sensibly be answered by analyses of demand and potential demand. The services to be provided need to be sufficient to attract passengers from the airlines and again would be informed by Passenger Focus studies.

Environmental issues

40. What environmental key performance indicators should we consider for inclusion in the franchise agreement or the High Level Output Specification?

Q40 comments:

The key issue in the sustainable transport debate is energy usage (of different types) and the associated costs. Both related to usage.